

March 23, 1973

could, and that's beginning with line 21, of section 14, on page 15, which provides that banks may invest in the shares of savings and loan associations.

SENATOR CARPENTER: I have, I think your answer, I got it this morning. An interpretation from the banking department was delayed because this is a highly complex technical bill. Obviously I'm not qualified to answer all the questions in my own knowledge, but this is what he says. Pertains to section 14, to prohibit banks investing in any securities convertible to stock, but allows banks to invest in shares of savings and loans which is building and loans associations in an amount not exceeding that insured by the federal savings and loan insurance corporation, or as approved by the director of banking in a non insured association. Now the intent of that is to prohibit banks from investing in equity securities on one hand and allowing them to invest a reasonable amount in building and loans on the other hand.

SENATOR CARSTEN: Okay now, I didn't, I was a little concerned about this in some other, I don't recall now I think it was some building and loan people that had called my attention to it and last week, I did ask, I didn't know for sure whether this would be permissible under a banking law, and I just want to mention by way of passing, I have no objection to it and I certainly don't at all, but I did ask the Attorney General if this was permissible under the banking laws, I've not yet received an answer. When I do I'll furnish it to you.

PRESIDENT: Senator Carpenter.

SENATOR CARPENTER: As long as my name is on the bill, and I have some responsibility I will assure the body in so far as I'm concerned the introducer, if you desire to move the bill over and I recommend that you do if only from the stand point of getting the work done down stairs, if there is any objection for example in that area I would be very happy to move it back to general file for the consideration of whatever amendments, anyone might have at that time.

SENATOR CARSTENS: I'm not objecting, I'd be glad to move the bill on if necessary we can bring it back.

SENATOR CARPENTER: Well I understand it, but I want to be fair about the matter, if some develops as the introducer I would have no objection to moving the bill back to general file.

PRESIDENT: The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: Mr. Chairman, and members of the body, I just wanted to mention that banks are doing this already, there is nothing wrong with it as I see it, I complete concurrence with the practice of doing it and they have been doing it for years.

PRESIDENT: The motion is to advance LB 164 from general file to E&R initial, all those in favor of that please vote aye, all those opposed vote no. Once again you are voting on the advancement of LB 164 from general file. Have you all voted? Thank you. The Clerk will record.

(End of Belt #3)